

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

0 0 - 0 2 3

2. STATE:

Louisiana

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES4. PROPOSED EFFECTIVE DATE
March 1, 2000

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447.253; 440.160, OBRA 90

7. FEDERAL BUDGET IMPACT:

a. FFY 2000 \$ (561.17)

b. FFY 2001 \$ (1377.01)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, Item 1, p 101 ~~452~~ p. 101 (1)
Item 14a
Item 169. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Same (99-02)

Same (99-03)

Same (99-03)

10. SUBJECT OF AMENDMENT: The purpose of this amendment is to reduce the Medicaid prospective
per diem rates for inpatient psychiatric services by seven percent (7%).

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☒ OTHER, AS SPECIFIED: The Governor does not
review state plan material.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

David Hood by John Hagan

13. TYPED NAME:

David W. Hood

14. TITLE:

Secretary

15. DATE SUBMITTED:

March 27, 2000

16. RETURN TO:

State of Louisiana
Department of Health and Hospitals
1201 Capitol Access Road
PObox 91030
Baton Rouge, LA 70821-9030

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

MARCH 27, 2000

18. DATE APPROVED:

JUNE 6, 2001

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

MARCH 1, 2000

20. SIGNATURE OF REGIONAL OFFICIAL:

Sandra Bell

21. TYPED NAME:

for CALVIN G. CLINE

22. TITLE:

ASSOCIATE REGIONAL ADMINISTRATOR
DIV OF MEDICAID AND STATE OPERATIONS

23. REMARKS:

Pen & ink changes per State's 5/8/01 letter.

fiscal impact for each reduction. The prime consideration was if each reduction could be sustained without interfering with the quality and delivery of services or causing providers to discontinue participation. The rate comparison was conducted by institutional reimbursement staff with historical consideration as to how previous reductions had affected provider participation and recipient access to care. Access data for the time period of January 2000 through April 2000 was provided to the Health Care Financing Administration for the purpose of comparison. The Health Care Financing Administration subsequently terminated the request for additional information. The rate cut did not cause providers to stop participating in the program and did not impact access to services.

2. Public Process. Section 1902(a)(13) of the Social Security Act requires States to have a public process for the determination of rates of payment under the State plan for hospital services, nursing facility services, and services of intermediate care facilities for the mentally retarded. This section requires the publication of proposed and final rates as well as justifications for such rates and the underlying methodologies. Please demonstrate that the public process requirements were met.

Copies of newspaper affidavits and public process notices setting forth the proposed reimbursement methodology for inpatient psychiatric services are attached.

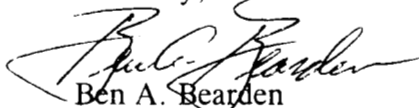
The attached pages are to be substituted according to the following chart, and block 8 and 9 of HCFA 179 amended to read as follows:

Block 8	Block 9
Attachment 4.19-A, Item 1, Pages 10l & 10l(1)	Same (TN 99-02)
Item 14a	Same (TN 99-03)
Item 16	Same (TN 99-03)

Please consider this a formal request to begin the 90-day clock. It is anticipated that the above additional information will be sufficient to result in the approval of the pending State plan amendment. If further information is needed, please contact Shirley Garland at (225) 342-3086.

We appreciate the assistance of Billy Bob Farrell in resolving these issues.

Sincerely,


Ben A. Bearden
Director

BAB/SMG

Attachments

STATE OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING RATES - IN-PATIENT HOSPITAL CARE

CITATION

42 CFR
447.253
OBRA-90
P.L.
101-508
Sections
4702-4703

Medical and Remedial
Care and Services
Item 1 (cont'd.)

F. Distinct Part Psychiatric Units

1. Effective for services on or after January 1, 1989, psychiatric units within an acute care general hospital which meet the criteria for exemption from Medicare's Prospective Payment System (PPS) shall have admissions to this unit carved out and handled separately as a subprovider. A separate provider number shall be assigned to differentiate admissions to these units and their related costs from other hospital admissions and costs. Separate cost centers must be established as costs related to Distinct Part Psychiatric Unit admissions shall not be allowed in the cost settlement process applicable to other admissions. Rather, reimbursement for inpatient services provided in these units shall be a prospective statewide per diem rate.
2. Effective January 1, 1993, the statewide prospective per diem shall be recalculated using a base of reported 1991 allowable costs in accordance with Medicare principles of reimbursement. The rate is based on the statewide weighted average cost per day, using cost reporting periods ending in 1991 as a base period. Rates for subsequent years will be updated annually effective January 1 of each year by increasing the previous year's per diem rate by HCFA's target rate percentage for non-PPS (PPS Exempt) hospitals/units for the applicable year. The subsequent application of the inflationary adjustment shall apply only in years when the state legislature allocates funds for this purpose. The inflationary adjustment shall be made by applying the inflation factor applicable to the current fiscal year to the most recently paid per diem

SUPERSEDES TN - LA 99-02

STATE	<u>Louisiana</u>
DATE REC'D	<u>3/27/00</u>
DATE APP'VE	<u>6/6/01</u>
DATE EFF	<u>3/1/00</u>
HCFA 179	<u>CO-23</u>

TN# 00-23 Approval Date 6-6-01 Effective Date 3-1-00

Supersedes

TN# LA 99-02

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE OF LOUISIANA

Attachment 4.19-A
Item 1, Page 10(1)

MENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - IN-PATIENT HOSPITAL CARE

CITATION

42 CFR

447.253

Medical and Remedial
Care and Services
Item 1 (cont'd.)

Effective March 1, 1994, a unit in a PPS exempt hospital which meets PPS exempt psychiatric unit criteria as specified II.B.2. shall also be considered a Distinct Part Psychiatric Unit included in the methodology described above.

G. Transplant Services

Routine operating costs and ancillary charges associated with an approved transplant are carved out of the hospital's cost report. Reimbursement is limited to the lesser of cost or the hospital-specific per diem limitation for each type of transplant.

Superseded By LA 00-23

Cost is defined as the hospital-specific ratio of cost to charges from the base period multiplied by the covered charges for the specific transplant type.

Per diem limitation is calculated by deriving the hospital's per diem for the transplant type from the hospital's base period trended forward using the Medicare target rate percentage for PPS-exempt hospitals each year.

The base period is the cost reporting period for the hospital fiscal year ending September 30, 1983 through August 31, 1984 or the first cost report filed subsequently that contains costs for that type of transplant,

STATE <u>Louisiana</u>	A
DATE REC'D <u>5-29-99</u>	
DATE APP'D <u>5-5-99</u>	
DATE EFF <u>1-1-99</u>	
HCFA 179 <u>99-02</u>	

99-02

Approval Date

5-5-99

Effective Date

1-1-99

Supersedes
TN# 94-32

OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1902(A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

CITATION Medical and Remedial Services for Individuals Age 65 or Older in Institutions for Mental Diseases are
42 CFR Care and Services reimbursed as follows:

440.160

Item 14a

OBRA-90

P.L.

101-508

Sections

4702-4703

1. Reimbursement Methodology

- a. Payment is made at a prospective statewide per diem rate. The rate is based on the statewide weighted average cost per day, using cost reporting periods ending in 1991 as a base period and trended forward by the Health Care Financing Administration's (HCFA) target rate percentage for hospitals excluded from Medicare's prospective payment system (PPS). Rates for subsequent years will be updated annually effective January 1 of each year by increasing the previous year's per diem rate by HCFA's target rate percentage for non-PPS (PPS Exempt) hospitals/units for the applicable year. The subsequent application of the inflationary adjustment shall apply only in years when the state legislature allocates funds for this purpose. The inflationary adjustment shall be made by applying the inflation factor applicable to the current fiscal year to the most recently paid per diem rate.
- b. Effective for dates of service on or after March 1, 2000, inpatient psychiatric services are reimbursed at ninety-three percent (93%) of the per diem rates in effect as of February 29, 2000 as calculated in 1.a. above.

2. Provisions for Disproportionate Share Payments

- a. Effective for services provided on or after July 1, 1988, hospitals qualifying as disproportionate share providers shall have payment adjustment factors applied in accordance with the guidelines outlined in Attachment 4.19-A, Item 1, Section D.
- b. In addition to the above adjustment, effective for services provided on or after March 1, 1993, hospitals qualifying as disproportionate share providers under the guidelines outlined in Attachment 4.19-A, Item 1, Section D.1.a-d, shall have a lump sum payment issued for disproportionate share adjustment under the provisions of Section E, based on Indigent Care Days.
- c. Effective July 1, 1994, disproportionate share payments for qualifying public hospitals shall be in accordance with the methodology outlined in Attachment 4.19-A, Item 1, Section 1.D and E. Public providers will no longer receive DSH payments under the methodology in Item 1, Section E.
- d. Disproportionate share payments cumulative for all DSH payments under the pools or any other DSH payment methodology shall not exceed the federal disproportionate share state allotment for each federal fiscal year established under Public Law 102-234.

Superseded By LA 00-41

STATE Louisiana
DATE REC'D 3/27/00
DATE APP'D 6/6/01
DATE EFF 3/1/00
HCFA 179 00-23

SUPERSEDES: TN-LA 99-023

1 N# 00-23 Approval Date 6-6-01 Effective Date 3-1-00

Supersedes

TN# LA 99-02

OF LOUISIANA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1902(A) OF THE ACT THAT IS INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

CITATION Medical and Remedial Inpatient Psychiatric Hospital Services for Individuals Under 21 are reimbursed
42 CFR Care and Services as follows:
440.160 Item 16
OBRA-90
P.L.
101-508
Sections
4702-4703

1. Reimbursement Methodology

- a. Payment is made at a prospective statewide prospective per diem rate. The rate is based on the statewide weighted average cost per day, using cost reporting periods ending in 1991 as a base period and trended forward by the Health Care Financing Administration's (HCFA's) target rate percentage for hospitals excluded from Medicare's prospective payment system (PPS). Rates for subsequent years will be updated annually effective January 1 of each year by increasing the previous year's per diem rate by HCFA's target rate percentage for non-PPS (PPS Exempt) hospitals/units for the applicable year. The subsequent application of the inflationary adjustment shall apply only in years when the state legislature allocates funds for this purpose. The inflationary adjustment shall be made by applying the inflation factor applicable to the current fiscal year to the most recently paid per diem rate.
- b. Effective for dates of service on or after March 1, 2000, inpatient psychiatric services are reimbursed at ninety-three percent (93%) of the per diem rates in effect as of February 29, 2000 as calculated in 1.a. above.

2. Provisions for Disproportionate Share Payments

- a. Effective for services provided on or after July 1, 1988, hospitals qualifying as disproportionate share providers shall have payment adjustment factors applied in accordance with the guidelines outlined in Attachment 4.19-A, Item 1, Section D.
- b. In addition to the above adjustment, effective for services provided on or after March 1, 1993, hospitals qualifying as disproportionate share providers under the guidelines outlined in Attachment 4.19-A, Item 1, Section D.1.a-d, shall have a lump sum payment issued for disproportionate share adjustment under the provisions of Section E, based on Indigent Care Days.
- c. Effective July 1, 1994, disproportionate share payments for qualifying hospitals shall be in accordance with the methodology outlined in Attachment 4.19-A, Item 1, Sections 1.D and E. Public providers will no longer receive DSH payments under the methodology in Item 1, Section D.
- d. Disproportionate share payments cumulative for all DSH payments under the pools or any other DSH payment methodology shall not exceed the federal disproportionate share state allotment for each federal fiscal year established under Public Law 102-234.

A	
STATE Louisiana	
DATE REC'D 3/27/00	
DATE APPE'D 6/6/01	
DATE EFF 3/1/00	
HCFA 179 00-23	

Superseded By LA 00-41

SUPERSEDES: TN - LA 99-023

TN# 00-23 Approval Date 6-6-01 Effective Date 3-1-00

Supersedes
TN# 99-02